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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

Intelligence Community Staff

NSA, DIA, OSD, USAF reviews  
completed

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MEMORANDUM FOR: See Distribution

FROM:

Director of Performance Evaluation and  
Improvement

Howard Stoertz  
National Intelligence Officer for  
Strategic Programs

SUBJECT: Nuclear Proliferation and the Intelligence  
Community

1. The complex subject of nuclear proliferation has been given increased attention over the past year by the executive and legislative branches, the press, and the Intelligence Community. Formulating US foreign and trade policy toward those countries which are candidate proliferators and toward those which are suppliers of nuclear technology is high on the Government's agenda. It is the responsibility of the Intelligence Community to see that timely, cogent, and accurate intelligence information on the factors which impact on nuclear proliferation are supplied to the appropriate agencies. The IC Staff's involvement in the semiannual review of intelligence for the National Security Council has shown that the Community's efforts to provide nuclear proliferation intelligence need to be improved.

2. We believe that the Community should undertake an introspective assessment of where and how improvements can be made. We want to ensure that the current momentum for improving nuclear proliferation intelligence does not ebb, that the actions taken by the different agencies will have a

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coherent Community framework, and that the priority needs of the users are satisfied insofar as possible. We propose to bring together appropriate members of the Community for a critical look at the organization and effectiveness of proliferation intelligence in light of the findings of the IC Staff's review, the critique prepared by Dr. John Deutch/MIT for Deputy Secretary of Defense Robert Ellsworth, and the expanding need of consumers for a multidisciplinary product.

3. On 29 November 1976, we will convene a meeting at the CIA Headquarters Building (DDI Conference Room, 7E32, at 1300). We would like you or your representative to attend this meeting. The participants will include representatives from the DCI collection committees, JAEIC, relevant production elements of the Community, the IC Staff, and appropriate NIOs. A copy of the meeting agenda, the principal findings and recommendations of the Deutch report, [REDACTED]

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[REDACTED] are attached for your information. The findings of the IC Staff's review will be available at the meeting.

4. As a second step, we plan to convene a meeting of both Community members and users of proliferation intelligence to facilitate communications between the two groups at a senior enough level to effect positive actions on the part of the Community. This meeting will be held after the Community has assessed its capability to further support user needs. We plan to invite participants from ERDA, State, NRC, DOD, ACDA, and the NSC Staff.

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5. We are looking forward to getting your candid views of this complex topic at the November meeting. [REDACTED]

#### Attachments

- 1) Meeting Agenda
- 2) Excerpts from Deutch Report
- 3) [REDACTED]

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Central Intelligence Agency

Dr. Sayre Stevens, Deputy Director for Intelligence  
Mr. Leslie Dirks, Deputy Director for Science and Technology

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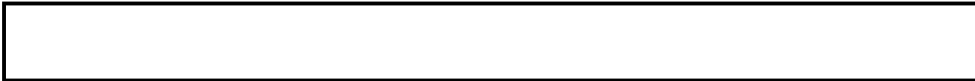


Defense Intelligence Agency

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Mr. Larry Finch, Director of Strategic Affairs, Bureau of  
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Mr. Ray Chapman, Director, International Security Affairs  
Dr. Julio Torres, Assistant Director, International Security  
Affairs

Air Force Technical Applications Center

Mr. Walter Singlevich, Chief, Radiometrics Division

Intelligence Community

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Mr. Richard Lehman, Deputy to the DCI for National Intelligence



MEETING AGENDA

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- o Keynote/Statement of purpose
- o Overview
  - o IC organization
  - o Users of proliferation intelligence
  - o Findings of NSC review
  - o Findings of Deutch report
- o Points for discussion [Attendees]
  - o IC priority on proliferation intelligence;  
key proliferation questions
  - o Currrent analytical and collection efforts  
(a brief description of efforts by each participating  
organization)
  - o Needs of users for proliferation intelligence
  - o Product improvement--multidisciplinary analysis
  - o Necessity for reorganization or reallocation of  
resources
- o Alternatives [Attendees]
  - o Management of proliferation intelligence
  - o New DCI committee for proliferation
  - o Regular producer/user meetings
  - o Multidisciplinary "team" efforts (inter or  
intraagency)
- o Discussion of timing, objectives and agenda for user/  
producer meeting

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II. PRINCIPAL FINDINGS

The major findings of this review may be summarized as follows:

A. Proliferation intelligence has improved [REDACTED] 25X6  
[REDACTED]. However, further improvement is possible and desirable. Since the problems of nuclear proliferation will be around for a long time, it is important to begin a long term process of improving proliferation intelligence.

B. Interest in proliferation and proliferation intelligence increases as one goes to higher levels in the government. But high level support must be accompanied by sustained attention -- the bureaucracy left to its own devices will not place adequate emphasis on the subject.

C. There is much too little user/analyst interaction in proliferation intelligence. This often heard complaint is particularly true for nuclear proliferation. The absence of interaction is serious because at the threshold of this new era of a proliferated world, the U.S. should be developing policy mechanisms for dealing with the issues that will inevitably arise.

D. The principal users perceive that no one is in charge of proliferation intelligence. Potential users (in State, NRC, ERDA, ACDA) are both in a position and frame of mind to take action on export policy on the basis of timely intelligence. The expressed need of people who will make a policy difference is the principal reason for improving proliferation intelligence. Neither JAEIC nor the responsible National Intelligence Officer are focusing proliferation intelligence on a country basis for the principal users.

E. JAEIC and some of the participating intelligence agencies consider proliferation a technical matter, subordinated to primary concern with Soviet and PRC activities. The result is an emphasis on capability rather than intentions and inadequate fusion with political/military intelligence and even with unclassified information.

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[REDACTED]

G. There is a complete absence of a data base that employs information from all sources including the unclassified literature. This data base should include the stock and flows of Pu and highly enriched uranium (HEU) worldwide, and an inventory of nuclear related facilities with their operating characteristics. 25X1

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I. There are adequate lines of communication between the weapons labs and various elements of the intelligence community (CIA, DIA, ERDA) dealing with proliferation intelligence.

J. Progress is being made through the ERDA course, DIA briefings to attaches, and the JAEIC/CIA efforts with DDO to improve the awareness of intelligence analysts and overseas personnel of nuclear proliferation issues and nuclear technology.

K. Present DOD interest in proliferation is centered in OSD (ISA) and focuses on export control questions. DOD is playing a secondary role, quite appropriately, in U.S. political, diplomatic, and export control efforts to discourage proliferation. DOD, and most especially OSD, are placing almost no attention on the aspect of nuclear proliferation where they have the primary role; no one in OSD is responsible for systematic and sustained thinking on the impact that the widespread dispersion of nuclear weapons or near nuclear capability, should have on U.S. force planning and deployments.

L. Within the intelligence community and DOD, DIA has taken a leadership role in producing intelligence on proliferation intelligence. Despite DOD's secondary policy role on proliferation matters, DIA has reorganized the potentiality for reaching consequences of nuclear proliferation and acted to produce intelligence, described below, 25X1 of value to a variety of users.

Three important topics have not been given attention during this review:

- First, an examination has not been made of the present level of effort and adequacy of the effort in HUMINT, in particular CIA/DDO.
- Second, attention in this review has not been given to the on-going intelligence effort on terrorism and sub-national threats to U.S. or other countries' nuclear materials or devices.

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### III. RECOMMENDATIONS

Several recommendations are presented below that are designed to improve this nation's intelligence effort in nuclear proliferation. These recommendations are based on the assumption that the intelligence community should increase its level of effort dealing with this problem -- not because there is an acute crisis today, but because there is a long term trend and an emerging problem that promises to have a major impact on national security. Accordingly, the situation calls for sustained attention, not a single remedial action.

The recommendations of this reviewer are:

A. Remove the responsibility for proliferation intelligence from the Joint Atomic Energy Intelligence Committee (JAEIC) and establish a new DCI committee for proliferation intelligence. The membership of this new committee should be broadened to include users of intelligence; e.g., NRC, Commerce, OSD, State (Political/Military Affairs), the Joint Staff, representing the JCS, perhaps ACDA, as well as intelligence producers. This step would appropriately recognize the increasing importance of nuclear proliferation, provide an arena for user/analyst interactions, remove the responsibility from JAEIC which is primarily concerned with technical matters and Soviet/PRC problems, and open the possibility for improved integration of intelligence or technical capabilities with intelligence on political/military intentions and perceptions on a country basis.

#### 1. Method of Reporting to DCI

There are several ways in which the proposed new Joint Proliferation Intelligence Committee (JPIC) could report to the DCI. Arguments can be made for a route through the National Foreign Intelligence Board (NFIB), the D/DCI for CIA, the D/DCI for the intelligence community, or the D/DCI for the NIOs.

#### 2. JPIC/JAEIC Inter-Action

Clearly, the new JPIC would maintain close contact with JAEIC. The proposed JPIC would rely on JAEIC for support on certain technical intelligence matters

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This interdependence of DCI committees is not new; JAEIC presently works closely with the weapon systems intelligence committee.

#### 3. JPIC Staff

The proposed JPIC should have a small staff and serve as the community's focal point for proliferation intelligence. Alternatively, the focal point might be provided by an NIO -- but the NIO/SP already has substantial functions and the topic of nuclear proliferation may not presently justify appointment of a new NIO.

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4. Changes Required in CIA

The proposed JPIC will require an adjustment in CIA. The present close relationship between JAEIC and the Nuclear Energy Division (NED) of CIA would be undisturbed, but some CIA office would be needed to deal primarily with proliferation intelligence. This new office would focus on integrating political/military and technical intelligence on a country basis. Hopefully this office could accomplish a new form of intelligence analysis that focuses on the decision processes in the proliferating countries. It is reasonable to expect more complete intelligence on intentions and decision making in these countries than one expects from intelligence on Soviet intentions, because these countries have more open societies compared to the Soviet Union.

The present Nuclear Programs Branch of NED might be part of this new office, but much augmentation would be needed for economic and political/military intelligence. The new office would have the same close relationship to the proposed JPIC that NED presently has to JAEIC. There are arguments both for and against locating this new office in DD/S&T as opposed to DD/Intelligence.

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C. The development of an all-source data base on the worldwide stocks and flows of Pu and HEU and on the characteristics and operations of nuclear related facilities should be begun immediately. 25X1

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E. A stronger focus on nuclear proliferation should be established at a high level in DOD. The present capability for dealing with proliferation issues in OSD must be strengthened; it is time to begin consideration of the impact on U.S. force planning of a world containing many nuclear powers. The primary responsibility for proliferation should be in ISA, but the involvement of DDR&E, DDI, OASTD (Atomic Energy) and the Joint Staff, as well as the Services, will also be important.

An effective means of focusing DOD thinking on proliferation issues would be for the Secretary of Defense to direct ISA and the Joint Staff to examine the broad security implications of nuclear proliferation for the U.S. force structure and for operational doctrine. 25X1

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